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THE Wheat SITUATION

BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

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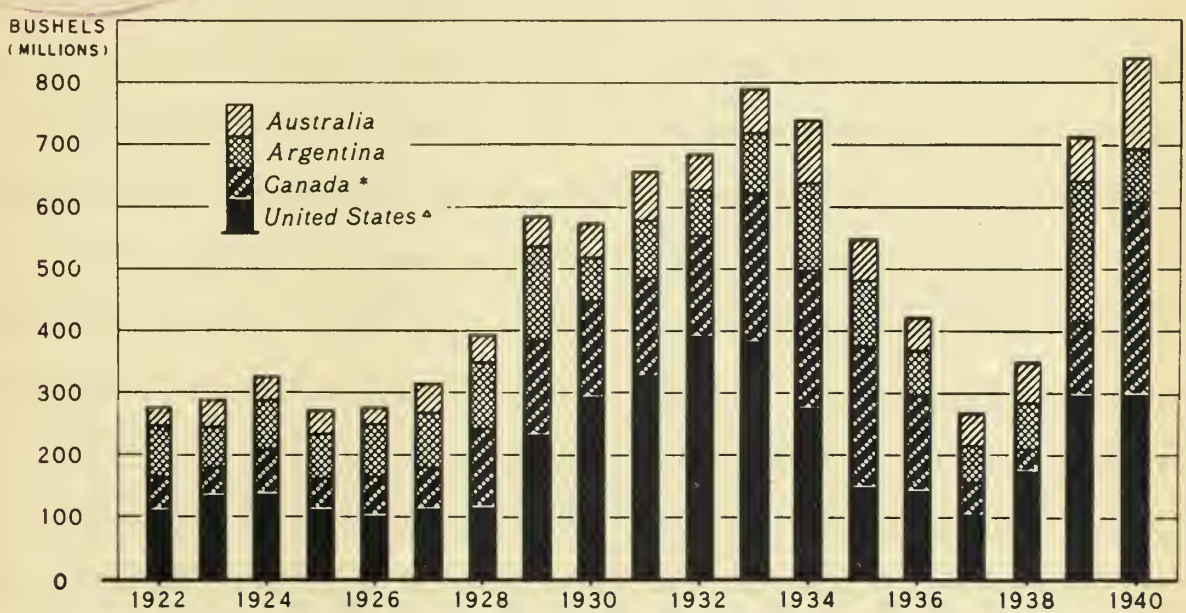
WHEAT: ESTIMATED STOCKS IN MAJOR EXPORTING COUNTRIES AS OF JULY 1, 1922-40



* INCLUDES CANADIAN WHEAT IN UNITED STATES
▲ INCLUDES UNITED STATES WHEAT IN CANADA

U S DEPARTMENT OF AGRICULTURE NEG 21335 BUREAU OF AGRICULTURAL ECONOMICS

A NET INCREASE OF 155 MILLION BUSHELS IN THE JULY 1 STOCKS IN THE FOUR MAJOR EXPORTING COUNTRIES LARGELY ACCOUNTS FOR THE ESTIMATED INCREASE OF ABOUT 215 MILLION BUSHELS IN THE TOTAL WORLD CARRY-OVER. VERY LARGE INCREASES IN STOCKS IN CANADA AND AUSTRALIA, TOGETHER WITH A SMALL INCREASE IN THE UNITED STATES, MUCH MORE THAN OFFSET A DECREASE IN ARGENTINA.

THE WHEAT SITUATION

Summary

During the past month large quantities of wheat continued to go into loan holdings, and domestic prices continued to advance independently of prices in other countries.

Wheat supplies in the United States for the year beginning July 1940 are now estimated at 1,076 million bushels, or 69 million bushels above the supply a year ago. The current estimate is 9 million bushels above the estimate of a month ago, the increase resulting from an upward revision in the spring wheat production estimate. Present prospects are that exports to foreign countries and shipments to possessions together may total between 20 and 25 million bushels, and domestic disappearance 685 million bushels. On the basis of these figures, there would be about 370 million bushels available for carry-over July 1, 1941, or about 85 million bushels more than the carry-over at the beginning of the season.

Total world wheat supplies, excluding China and the Soviet Union, for the year beginning July 1940 are still indicated to be less than 50 million bushels smaller than those a year earlier, when they totaled about 5,475 million bushels, the largest supply on record. Exports from the Soviet Union in 1940-41 are expected to be small, and greatly reduced imports by continental Europe are expected to reduce world consumption.

Domestic wheat prices have continued the advance which started following the low point on August 16. Continuing to dominate the market situation is the effect of the loan program in reducing the supply of free wheat. Domestic prices have advanced in spite of practically unchanged prices in Canada and a sharp decline in prices in Argentina.

— October 25, 1940

THE DOMESTIC WHEAT SITUATION

BACKGROUND.- The carry-over of old wheat in the United States averaged about 230 million bushels in the 10-year period 1930-39, during which a record peak of about 360 million bushels was reached in 1933 and a low in 1937 of about 83 million bushels (lowest since 1919). Domestic disappearance during the 10 years 1930-39 averaged about 695 million bushels, with the highest of about 755 million bushels in 1931 and the lowest of about 625 million bushels in 1933. Wheat supplies in the United States for the year beginning July 1, 1939 were 1,007 million bushels, disappearance 675 million bushels, exports and shipments to possessions 48 million bushels, leaving a carry-over on July 1, 1940 of 284 million bushels.

Domestic wheat prices from the spring of 1933 to the spring of 1937 were unusually high in relation to world prices, as the result of small crops in the United States. During this same period, prices in other countries also moved upward, reflecting a world-wide recovery in commodity price levels, currency depreciation, and reduced production. The average prices received by United States producers for the 1931 and 1932 crops were 39 and 38 cents, respectively, compared with average prices for the four crops, 1933 to 1936, of 74, 85, 83, and 103 cents per bushel, respectively.

In 1937 United States production was large and prices to growers declined to an average of 96 cents. In 1938, with domestic production again large, with a record world crop and with lower commodity prices generally, prices received by producers declined to an average of 56 cents, 1/ and would have averaged still lower had it not been for the loan and export-subsidy programs which held domestic prices above export parity.

Prices received by growers for wheat during the year beginning July 1939 are estimated at 69 cents. 1/ This also is relatively high compared with the usual relationship to prices in other countries, as a result of only a moderately large carry-over, reduced acreage, poor prospects for 1940 yields, and holding of wheat in expectation of higher prices. Prices advanced sharply in September 1939, following the outbreak of the European war, and again in December, influenced by war developments and by poor crop prospects in Argentina and the United States. In the middle of May 1940, following the turn of events in Europe, selling became heavy and most of the gains were lost.

Domestic wheat crop estimate increased 9 million bushels

Production of wheat in 1940, as of October 1, was indicated at 792,332,000 bushels, the increase of 8,772,000 bushels above the September

1/ Includes unredeemed loan wheat at average loan values.

forecast being due to higher indicated yields in most of the important spring wheat States. Winter wheat production was unchanged from the August 1 estimate of 555,839,000 bushels. The preliminary estimate of all wheat production shows a 5 percent larger crop than the 754,971,000 bushels produced in 1939. It is also 5 percent above the 10-year (1929-38) average production of 754,685,000 bushels, but substantially below the 931,702,000 bushel crop of 1938.

The production of all spring wheat is now estimated at 236,493,000 bushels compared with 191,540,000 bushels in 1939, and the 10-year average of 183,619,000 bushels. The indicated production of durum wheat is 37,020,000 bushels. The 1939 crop was 34,360,000 bushels, and the 10-year average is 29,619,000 bushels. The 1940 production of durum has been exceeded in only one year since 1932, the crop of 40,697,000 bushels in 1938. The indicated yield for the three durum wheat States is 11.1 bushels per harvested acre, compared with 11.2 bushels last year, and the 10-year average of 9.1 bushels per acre. All of the durum wheat States show yields considerably above average. Estimated production of spring wheat other than durum was raised in October to 199,473,000 bushels, compared with 157,180,000 bushels last year and the 10-year average of 154 million bushels. This indicated production is the largest since 1932, with the exception of the crop of 1938. The indicated yield per acre is 13.8 bushels, compared with 12.3 bushels last year, and the 10-year average of 10.6 bushels. Above-average yields were realized in all the important other spring wheat States except Washington.

Total supplies 1,076 million bushels;
69 million bushels above 1939-40

With a crop estimated at 792 million bushels, and the July 1, 1940, carry-over placed at 284 million bushels, total supplies are now placed at 1,076 million bushels. On the basis of present prospects, exports to foreign countries may be expected to total about 19 million bushels and shipments to possessions 3 million bushels, which would leave 1,054 million bushels available for domestic utilization and carry-over. As a result of the sharp advance in wheat prices since August, it now appears logical to expect that probably 15 million bushels less wheat will be fed, making total prospective utilization 685 million bushels instead of 700 million bushels forecast in August. On the basis of these figures there would be about 369 million bushels available for carry-over June 30, 1941. This would be 85 million bushels above the 284 million bushels July 1, 1940.

Table 1.- Estimated wheat supplies and probable distribution by classes for 1940-41

Item	Hard red winter	Soft red winter	Hard red spring	Durum	White	Total
	Mil.bu.	Mil.bu.	Mil.bu.	Mil.bu.	Mil.bu.	Mil.bu.
Carry-over, July 1, 1940	135	25	85	18	21	284
Production 1/	286	216	167	38	85	792
Total supply	421	241	252	56	106	1,076
Exports and shipments	1	5	0	0	16	22
Available for domestic utilization and carry-over.	420	236	252	56	90	1,054
Domestic utilization	268	205	114	35	63	685
Carry-over June 30, 1941 ...	152	31	138	21	27	369

1/ August estimate for winter, October estimate for spring wheat.

July-September farm disappearance 59 percent

Stocks of wheat on farms on October 1 were estimated at 360 million bushels, or 41 percent of the 878 million bushel farm supply for the year beginning July 1 (farm stocks July 1 plus production). The October 1 farm holdings were slightly above the 339 million bushels a year earlier and the 10-year (1929-38) average of 338 million bushels. In 1938, the most recent year of larger October 1 farm stocks, the quantity on farms was 400 million bushels.

The disappearance of wheat from farms between July 1 and October 1 was 518 million bushels. In other words, 59 percent of farm supplies were either moved off farms or used on farms between July 1 and October 1. This movement from farms was larger than that of last year (507 million) and larger than average (472 million).

October 1 farm stocks and in cities (commercial) for 3 years and the 1929-38 average are shown in table 2. These two items together total 46 million bushels above a year earlier. Figures for stocks in interior mills and elevators will be released October 25 and those for merchant mills about October 31.

Table 2.- Wheat stocks on farms and in cities (commercial) on October 1, average 1929-38, annual 1938-40

Item	Average 1929-38	1938	1939	1940
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Farm stocks	338,228	400,476	338,658	359,746
Commercial stocks	159,004	139,273	161,987	186,524
Total in two positions	497,232	539,749	500,645	546,270

Domestic wheat prices continue to advance

Domestic wheat prices have continued the advance which started following the low point on August 16. For the week ended October 19 the December future at Chicago, at 85.4 cents, was 17 cents above the low in August, and was 8 cents above the average for the week ended September 21. Cash prices for the week ended October 19 were above those for the week ended September 21 as follows: No. 1 Dark Northern Spring at Minneapolis was about 9 cents, No. 2 Hard Winter at Kansas City was about 6 cents above, and No. 1 Soft White at Portland about 1-1/2 cents above. On the basis of market prices, the mid-October price to growers is indicated to be about 71 cents compared with 62.6 cents in mid-September.

The effect of the loan program in reducing the supply of free wheat continues to dominate the market situation. The total quantity under Government loan as of October 15 was 218 million bushels, which compares with 167 million bushels for the entire season a year ago. Compared with loan values, for the week ended October 19, the price of No. 2 Red at St. Louis averaged

10 cents above, No. 2 Hard Winter at Kansas City 4-1/2 cents above, No. 1 Soft White at Portland 2-1/2 cents above, and No. 1 Dark Hard Spring at Minneapolis 3 cents above.

Computed on the basis of export price values, the export indemnity which would be required to export wheat to Europe is now about 29 cents from the Gulf and 26 cents from Pacific ports. This is about 7 cents higher than a year ago. Prices of domestic spring wheat at Buffalo are only about 10 cents lower than approximately the same quality of Canadian wheat, c.i.f., duty paid, at Buffalo.

Table 3.- Weighted average cash price of wheat, specified markets and dates, 1939 and 1940

Month and date	All classes and grades six markets		No. 2 Hard Winter Kansas City		No. 1 Dk.N.Spring Minneapolis		No. 2 Hard Amber Durum Minneapolis		No. 2 Red Winter St. Louis		Soft White Portland 1/	
	1939	1940	1939	1940	1939	1940	1939	1940	1939	1940	1939	1940
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Month -												
July	67.5	72.4	66.7	70.7	77.8	78.8	73.3	77.4	69.5	75.8	69.8	73.5
Aug.	72.2	72.6	64.6	69.3	76.2	73.5	80.1	76.6	68.5	76.6	70.0	73.3
Sept.	90.0	78.2	85.9	75.8	92.5	81.8	94.9	83.5	88.4	82.6	81.8	74.3
Week ended												
Sept. 7	92.9	77.9	87.0	74.5	94.6	79.8	97.9	82.6	94.2	80.7	86.8	74.1
14	91.1	76.3	86.0	73.9	94.1	80.1	95.9	83.3	89.6	82.6	81.3	72.8
21	90.5	77.7	86.5	75.6	93.3	80.6	93.7	82.4	89.8	82.5	80.8	74.3
28	88.5	80.0	85.3	77.0	90.5	84.0	93.4	84.9	88.4	85.4	80.1	75.7
Oct. 5	85.3	82.3	82.5	79.3	88.0	86.5	90.6	87.2	86.1	88.3	78.4	75.2
12	83.6	82.8	81.5	81.2	85.9	86.5	89.3	89.2	85.8	89.1	79.0	74.8
19	86.4	86.1	83.3	81.5	89.2	90.1	90.8	90.5	90.5	90.8	81.0	75.6
High 2/	92.9	86.1	87.0	81.5	94.6	90.1	97.9	90.5	94.2	90.8	86.8	75.6
Low 2/	65.4	71.2	62.3	68.1	73.8	72.0	68.3	72.3	65.5	74.8	68.1	72.5

1/ Weekly average of daily cash quotations, basis No. 1 sacked. 2/ July 6-Oct. 19, 1940, and corresponding dates, 1939.

THE WORLD WHEAT SITUATION 2/

BACKGROUND.- Total world supplies of wheat increased sharply from 1924 to 1933, largely as a result of increased acreage. From 1934 to 1936, world supplies declined, following successive years of small yields and increased world demand. Supplies increased slightly in 1937. With above-average yields on the large acreage, supplies in 1938 and 1939 were the largest on record.

World wheat prices declined in the period 1924-33 with the increase in world supplies. The sharp decline in prices

2/ All references to world production and stocks in this report exclude the Soviet Union and China, except where noted.

after 1929 was caused largely by the general decline in industrial activity and commodity prices. From the spring of 1933 to the summer of 1937, world wheat prices moved upward, reflecting world-wide recovery in commodity price levels, currency depreciation, and reduced production. The world price for the 1937 crop remained practically unchanged from that of a year earlier. In 1938, world prices again declined sharply as a result of record world production and weakness in demand. Prices in 1939-40 averaged higher than a year earlier, influenced by general expectations of increased demand for wheat as a result of the war, and by poor crop prospects in Argentina and the United States.

World trade in wheat and flour declined sharply following the peak year 1928-29, largely as the result of drastic restrictions on imports and increased production in major importing countries. In the early part of this period exports from the United States declined with those from other surplus-producing countries. During the period 1934-35 to 1936-37, small crops in the United States were followed by net imports. World wheat and flour exports in 1937-38 were about 518 million bushels, in 1938-39 about 638 million bushels, and in 1939-40 about 620 million bushels. Net exports from the United States in 1937-38 were 99 million bushels, in 1938-39 they were 106 million bushels, and in 1939-40 they were 45 million bushels. In addition to exports to foreign countries, shipments to possessions usually total about 3 million bushels.

World production still indicated to be about 6 percent below 1939 crop

The 1940 world wheat production 3/ is now indicated at about 4,025 million bushels. This is about 6 percent below that of 1939 and about 13 percent below the record 1938 crop. The estimates by countries continue largely unofficial and necessarily based on fragmentary data and are accordingly still to be considered, at best, as indications. Estimates for the different parts of the world are shown in table 4. The Northern Hemisphere total is indicated at about 3,635 million bushels, which is about 6 percent below that of last year.

The official October estimate for the United States is 792 million bushels. There has been no estimate for Canada since that issued in September of 561 million bushels. A Canadian crop of this size would be second only to the 567-million bushel crop in 1928, sharply higher than the 10-year (1930-39) average of 327 million bushels and considerably above preliminary indications.

The tentative indications of production in Europe remain unchanged from a month ago. Production in Europe other than the Danube Basin and the Soviet Union is still carried at about 1,075 million bushels, which is about

3/ All references to world production and stocks in this report exclude the Soviet Union and China, except where noted.

15 percent below that of 1939. Production in the Danubian countries, estimated at 300 million bushels, is unchanged from a month ago and also 2 months ago. This is a reduction of about one-third from the large 1939 harvest. The estimate of 300 million bushels includes Bessarabia and northern Bukovina - territory now ceded to the Soviet Union. This area normally produces about 20 percent of the Rumanian crop, but this year it appears to account for a somewhat larger share of that country's total.

The greatest reductions occurred in western, northern, and southeastern Europe, where smaller acreages remained for harvest and yields were low. Adverse weather during the fall seeding season followed by severe cold during the winter, a very late spring, and in some cases by heavy floods, combined with generally disrupted labor conditions to make the crop year more abnormal in these regions. The most favorable conditions prevailed in southern Europe; but with the exception of Spain, where some recovery took place from reduced crops of the 2 previous war years, and the British Isles, where a greatly increased acreage offset somewhat smaller yields per acre, there is no indication that wheat production was increased in any part of Europe.

Table 4.- Production of wheat in specified countries, 1937-40

Country	1937	1938	1939	1940 1/
Northern Hemisphere	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.
North America:				
United States	875,676	931,702	754,971	792,000
Canada	180,210	360,010	489,623	561,000
Mexico	10,955	11,845	14,771	13,000
Total (3)	1,066,841	1,303,557	1,259,365	1,366,000
Europe:				
Europe, excl. Danube Basin: and the U.S.S.R. (26)	1,177,270	1,383,247	1,259,003	1,075,000
Danube Basin (4)	361,463	466,214	453,528	300,000
Total (30)	1,538,733	1,849,461	1,712,531	1,375,000
North Africa (4)	117,118	118,011	148,949	118,000
Asia (6)	579,632	639,528	639,413	672,000
Total 43 countries	3,302,324	3,910,557	3,760,258	3,531,000
Estimated Northern Hemisphere total, 2/ excl. the U.S.S.R. and China	3,408,957	4,017,691	3,866,222	3,635,000
Southern Hemisphere				
Argentina	207,600	367,433	119,453	210,000
Australia	187,256	155,368	210,160	100,000
Union of South Africa	10,723	17,093	15,310	17,000
Total 3 countries	405,579	539,894	344,923	327,000
Estimated Southern Hemisphere total 2/	470,274	607,801	406,110	390,000
Estimated world total, 2/ excl. the U.S.S.R. and China	3,879,231	4,625,492	4,272,332	4,025,000

Compiled from official data.

1/ Data are, in most instances, unofficial forecasts and should be interpreted as preliminary indications only.

2/ Includes estimates for other countries besides those listed.

In England and Wales the outturn is placed above that in 1939, as a result of increased acreage, average yields per acre being estimated at 31.5 bushels compared with 34.5 bushels in 1939.

Growing conditions in Scotland and Northern Ireland are reported to have been generally favorable for wheat, and a good crop outturn is indicated. The acreage sown to wheat in Ireland, estimated at 310,000 acres, was the largest on record. Growing conditions were described as ideal, and the outturn seems likely to have exceeded the large 1939 crop of 9.5 million bushels.

Throughout most of the growing season, conditions were reported as favorable for wheat in Italy. A slightly smaller acreage is said to have been seeded, and the first official estimate was placed at 268 million bushels as compared with 294 million harvested in 1939. Subsequent reports indicate that the crop may have been overestimated; durum supplies are said to be ample, but a shortage of bread wheat is anticipated.

Although about 4 million bushels below the large 1939 harvest of 38 million bushels, the first official estimate of the 1940 wheat crop of Greece showed a marked increase over the average obtained during 1933-37. Annual domestic requirements, however, usually total about 48 million bushels, part of which is expected to be supplied this season by Egypt and Turkey.

In Spain, crop conditions have varied greatly over the country. The first official estimate of 121 million bushels, although considerably larger than the 1939 harvest, was disappointing in relation to the country's needs. Despite measures for stretching supplies through rationing and admixtures to flour, normal consumption will not be met unless some importation of foreign wheat takes place during 1940-41. According to a report August 29, the production in Portugal is placed at 9.2 million bushels, which is considerably below the 18.4 million bushels produced in 1939 and the 1933-37 average of 17.0 million bushels. Unseasonable weather, excessive rainfall, and rust damage were factors contributing to the sharp decline.

As a result of the unusually severe weather experienced last winter and military activities attending the European War, wheat production this season was seriously hampered in France. No estimate of the 1939 crop was received from official sources, but the indicated outturn was about 287 million bushels, or somewhat less than the 1933-37 average of nearly 300 million bushels. Carry-over stocks from 1938-39 were considerable, however, and under normal conditions supplies for 1939-40 would have been more than sufficient to meet annual domestic needs. Despite the report that German soldiers were released from military duties to assist in harvesting the French crop, no definite information is available regarding the total 1940 outturn, but it is believed to have been considerably reduced. In unoccupied France, the crop is said to have been about 50 percent short of domestic requirements for milling and seeding.

Belgium, like France, suffered from adverse weather conditions during the past growing season and experienced crop losses from invasion. The wheat crop of 1939 was also reduced by unfavorable weather and totaled less than 13 million bushels as compared with 20 million bushels in the previous year. Some unofficial reports indicate a reduction of about one-third or more

from an average crop. A reduced wheat harvest is also indicated for the Netherlands.

In Denmark, a small increase in the wheat area appears to have been more than offset by reduced yields, so that an outturn below that of last year is indicated. Sweden reported a wheat crop of only 17 million bushels, as compared with 31 million in 1939. Some increase in spring wheat offset to some extent the marked reduction resulting from extensive winter-kill and unfavorable growing weather. Wheat production in Norway is relatively unimportant and in the past year seems unlikely to have exceeded 2 million bushels as compared with about 2.6 million bushels harvested in 1939 and 1938. The Baltic countries and Finland reported adverse growing conditions, and the wheat crops of these countries are believed to have been not only below those of last year but also below average.

Germany, including Austria and the Sudetenland, reported a 10-percent reduction from the total grain crop of 1939. While winter wheat suffered more than winter rye, it is estimated that these two crops accounted for much of the decline. The total wheat production of 1939 was about 206 million bushels. The Polish wheat crop is said to have been slightly above average, with considerable improvement having taken place in the summer months. In Slovakia and the Protectorate of Bohemia and Moravia, considerable winter-kill, flood damage, and harvesting losses were reported, so that below average outturns of wheat and rye are indicated for these areas.

In the Danubian surplus countries of Bulgaria, Hungary, Rumania, and Yugoslavia, the total wheat crop of about 300 million bushels which appears to have been harvested includes that grown in the territory recently ceded to the Soviet Union by Rumania. This compares with 454 million bushels produced in 1939 and the 1933-37 average outturn of 333 million bushels. The Bulgarian crop appears to have suffered least. Hungary's outturn, officially reported at 76 million bushels, is 32 percent below the large 1939 harvest of nearly 113 million bushels and is about 5 million bushels short of the 1933-37 average. Production in Yugoslavia was reduced by about 30 percent from that of 1939 and in Rumania by about 46 percent.

A reduction similar to that in Europe occurred in North Africa, but in the Soviet Union and Turkey some gain over 1939 appears to have taken place. The grain harvest of the Soviet Union was officially reported above that of both 1939 and 1938 but not large enough to make large exportation probable this season. The first official estimate for Turkey was placed at 170 million bushels, but the export movement so far has not been as heavy as might be expected from such a crop.

The latest official estimate of the wheat crop in Japan was 81 million bushels compared with 61 million bushels in 1939. The acreage was reported at 2,064,000 acres compared with 1,827,000 acres a year ago. The preliminary forecast of the wheat crop in China by the United States Agricultural Attaché is 700 million bushels as compared with an estimate of 667 million bushels for 1939, and the estimate for Manchuria of 31 million bushels or about the same as in 1939. The official estimate for India is 402.6 million bushels compared with the 1939 harvest of 370.6 million bushels.

During the past month, weather generally has favored the crop in Argentina, although it is still backward in some areas. On the basis of 17.3 million acres now officially reported and weather developments to date, and assuming average conditions for the rest of the season, a crop of about 210 million bushels is now indicated. This represents an increase of 30 million bushels from the indication of a month ago. The acreage seeded in Australia has been officially estimated at 12.6 million acres, which compares with 13.3 million acres a year ago. While some rains have been received during the past month, general rains continue to be needed to prevent further deterioration. On the basis of heavier than average abandonment on the reported seeded acreage and weather conditions to date, an outturn of about 100 million bushels might be expected. This is a reduction of 20 million bushels from the indication of a month ago, and represents a sharp reduction from the 210 million bushels produced in 1939.

Total world supplies still estimated less than 100 million bushels below supplies in 1939

Total world wheat supplies for the year beginning July 1940 are now indicated to be 50 million bushels or less smaller than those a year earlier, when they totaled about 5,475 million bushels, the largest supply on record. As in the case of the production figures, information on which to base an estimate of stocks or of disappearance is scantier than usual this year, and the figures given in table 5 are at best only indications. Exports from the Soviet Union are expected to be small, and greatly reduced imports by continental Europe are expected to reduce consumption in 1940-41.

Table 5.- Estimated world wheat supply, years beginning July 1939-40, and distribution year beginning July 1939

Item	Year beginning July 1: 1939 estimates	Year beginning July 1: 1940 indications	Increase or decrease
	Million bushels	Million bushels	Million bushels
Carry-over July 1 1/	1,205	1,420	+ 215
Production 1/	4,272	4,025	- 247
Total supply	5,477	5,445	- 32
Net imports by the Soviet Union	- 2		
Total of above	5,475		
Disappearance	4,055		
Carry-over June 30	1,420		

1/ Excluding stocks and production in Soviet Russia and China.

World trade in 1940-41 may be about one-third less than year earlier

A continuation of the European blockade and present governmental policies in surplus-producing countries will greatly restrict world trade in 1940-41. Under such conditions, takings by European countries are not expected

to exceed 250 to possibly 275 million bushels, and those by non-European countries perhaps 150 million bushels. Trade figures for recent periods with comparisons are shown in table 8.

The Canadian wheat supply on October 1 remaining for export in 1940-41 or for carry-over at the end of the season is estimated at about 723 million bushels, the largest supply on record (table 6). The carry-over of Canadian wheat on August 1 was 301 million bushels (273 million in Canada and 28 million bushels in the United States) and production was estimated at 561 million bushels, making a total supply of 862 million bushels. Deducting probable domestic disappearance of 125 million bushels and August and September exports of about 23 million bushels leaves the October 1, 1940 surplus at about 714 million bushels. A year earlier the surplus was 462 million bushels.

The supply for export or carry-over in Australia on October 1 is estimated at 106 million bushels, compared with 35 million bushels a year earlier. High shipping costs and the great distance from European markets have greatly reduced outlets for Australian wheat. However, the very small crop in prospect somewhat alleviates the problem of a burdensome surplus during the coming season.

Computed on the basis of the carry-over on January 1, 1940 plus production less domestic consumption until the new crop next January less exports through August, the October 1 Argentine surplus is about 7 million bushels. The reported surplus in Argentina is slightly more than this. The Argentine surplus October 1, 1939, was 155 million bushels.

Table 6.- Estimated wheat surplus for export or carry-over for three exporting countries, October 1, 1937-40 1/

Position	1937	1938	1939	1940
	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.
Canada				
In Canada	95	239	451	686
In the United States	1	2	11	37
Australia	22	24	35	2/ 106
Argentina	11	43	155	7
Total	129	308	652	837

1/ Carry-over at the beginning of the year (Canada, July 31; Argentina, January 1; Australia, December 1 of the previous year) plus production minus domestic utilization for the year, minus monthly exports to date.
2/ Based on official exports through February, and unofficial estimates for succeeding months.

Winnipeg prices at the peg, Buenos Aires lower

Futures at Winnipeg rose above the minimum in late September, but then declined in early October, and at the present time are again at the minimum, which for the December future is 65 cents in United States currency. Prices at Buenos Aires have declined during the past month, with the near future for the week ended October 19 about 12 cents below the week ended September 21.

Table 7.- Average closing price of December wheat futures, specified markets and dates, 1939 and 1940

Period	Winnipeg 1/		Buenos Aires		Chicago		Kansas City		Minneapolis	
	1939	1940	1939	1940	1939	1940	1939	1940	1939	1940
	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.
Month										
July	56.0	67.8	---	---	67.6	76.2	62.9	70.7	70.6	75.2
Aug.	55.2	67.8	---	---	66.3	74.0	61.2	68.3	69.0	72.1
Sept.	69.2	66.7	---	---	84.4	78.1	79.6	73.0	85.2	77.1
Week ended										
Sept. 7	73.0	67.8	2/54.3	2/65.6	85.1	77.2	79.8	72.2	86.7	76.4
14	70.4	67.8	2/53.3	2/63.0	85.4	76.3	80.7	71.2	86.9	75.5
21	69.2	66.0	3/55.8	2/58.7	85.9	77.5	81.2	72.4	86.2	76.4
28	66.2	65.5	3/55.8	3/55.0	84.4	80.2	80.1	75.3	84.2	79.2
Oct. 5	64.8	65.6	3/53.9	3/51.2	81.9	82.2	77.2	76.8	81.6	80.4
12	66.2	65.2	3/52.3	3/50.8	82.7	83.8	78.0	77.2	81.3	80.8
19	66.2	65.1	3/51.5	3/46.3	85.4	85.4	79.7	79.9	83.2	83.2
High 4/	73.0	67.8	5/58.5	5/77.1	85.9	85.4	81.2	79.9	86.9	83.2
Low 4/	52.9	65.1	5/51.5	5/46.3	64.4	71.9	59.5	66.4	67.4	70.5

1/ Conversions at noon buying rate of exchange to week ended September 16, 1939, subsequently; Winnipeg figures at official rate which is 90.909 cents. Any United States buyer of Canadian grain would be required to make settlement in terms of United States dollars through an agent of the Canadian Foreign Exchange Control Board at the official rate.
2/ October futures
3/ November futures.
4/ July 6-October 19, 1940 and corresponding dates, 1939.
5/ October-November futures.

Table 8.- Movement of wheat, including flour, from principal exporting countries 1937-38 to 1940-41

Country	Exports as given by official sources: Total 1937-38	Total 1938-39	Total 1939-40	July 1 to date shown 1938-39	July 1 to date shown 1939-40	July 1 to date shown 1940-41	Date
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	
United States 1/	107,194	115,784	54,274	24,434	16,205	6,662	Aug. 31
Canada	94,546	159,885	210,212	16,076	27,575	27,272	Aug. 31
Argentina	69,670	116,116	177,561	5,517	11,387	0	July 31
Australia	123,453	96,672	---	8,410	6,136	0	July 31
Soviet Union	43,354	2/ 38,000	---	4,794	0	0	July 31
Hungary	9,368	27,650	---	80	1,978	0	July 31
Yugoslavia	5,012	5,346	9,666	0	110	0	July 31
Rumania	32,220	40,298	34,138	1,237	3,128	0	July 31
Bulgaria	8,489	2,633	---	173	1,042	0	July 31
British India	19,677	10,097	---	3,631	270	0	July 31
Total	512,983	612,481					

	Shipments as given by trade sources 3/: Total 1938-39	Total 1939-40	Week ended - 1940 Sept. 28	Oct. 5	Oct. 12	July 1-Oct. 12 1939-40	1940-41
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
North America	245,296	209,872	1,933	2,698	2,768	57,280	46,022
Argentina	114,272	173,776	1,400	1,054	2,251	46,808	36,416
Australia	102,110		---	---	---	4/ 11,028	4/
Soviet Union	39,824		0	0	0	1,536	0
Danube and Bulgaria 5/	52,848	39,616	0	0	0	9,160	560
British India	6/10,097	6/	0	0	0	0	0
Total above	564,453					125,812	82,998
Total European shipments 4/	450,734						
Total ex-European shipments 4/	146,760						

1/ Includes flour milled in bond from foreign wheat.
2/ From official sources, through December, supplemented by unofficial estimates.
3/ From Broomhall's Corn Trade News and Chicago Daily Trade Bulletin.
4/ Through September 2 only; not available by weeks subsequently.
5/ Black Sea shipments only.
6/ Official 1938-39; not available currently.

Revisions in tables published in The Wheat Situation for August 1940

Page	
2	1940 - new crop 792,332, total supply 1,089,874
	1940 " " 792,332 " " 1,076,422
	Footnote 5 - October estimate
6	1940 supply for export and carry-over 373,400
7	1937 519 876 575 1,539 889 3,879 39 4,437 3,838 105
	1938 599 932 883 1,849 361 4,625 37 5,261 4,056 68
	1939 1,205 755 820 1,713 984 4,272 -2 5,475 4,055 70
	1940 1,420
8	1940 64,388 12.3 792,332
11	1939 294 (253) 117 230 70 711 (670)
	1940 3/ 298 (285) 311 85 144 838 (825)
15	Table 1, this issue
19	Table 4, this issue
21	Table 5, this issue
22	Table 6, this issue

WHERE TO FIND STATISTICS ON THE WHEAT SITUATION NOT INCLUDED IN THIS ISSUE: 1/

	Page	Issue
THE WORLD WHEAT SITUATION		
Supply and distribution		
1922-39	7	Aug. 1940 WS-46
Averages 1924-28, 1928-37, annual 1914, 1937	6	Sept. 1939 WS-35
Acreage, yield, and production		
Acreage, yield, and production, 1923-39	10	Aug. 1940 WS-46
Production in specified countries, 1936-38	5	Jan. 1940 WS-39
Production in specified countries, 1939 (text)	13	Mar. 1940 WS-41
Stocks, July 1		
1922-40	7	Aug. 1940 WS-46
Major exporting countries, 1922-40	11	Aug. 1940 WS-46
International trade		
International trade in wheat including flour, 1909-38	21	Feb. 1940 WS-40
International trade in wheat flour, 1909-38	25	Jan. 1940 WS-39
World shipments and to Europe and non-Europe, averages 1910-14, 1930-34, and annual	7	Sept. 1939 WS-35
THE DOMESTIC WHEAT SITUATION		
Supply and distribution		
All wheat, 1923-38	2	Aug. 1940 WS-46
All wheat, averages 1910-14, 1924-28, 1928-37, annual, 1913-16, 1937	11	Sept. 1939 WS-35
Classes, 1929-39	26	Aug. 1940 WS-46
Supplies for export and carry-over, 1923-39	5	Aug. 1940 WS-46
Acreage, yield, and production		
Acreage, yield, and production, 1919-40	8,9	Aug. 1940 WS-46
Acreage seeded by regions, 1919-40	15	Sept. 1940 WS-47
Production by classes, 1919-39	17	Jan. 1920 WS-39
Stocks		
July 1, 1923-40	2	Aug. 1940 WS-46
January 1, 1936-40	8	Feb. 1940 WS-40
Exports and imports		
Exports of wheat including flour to specified countries, 1910-39	27	Aug. 1940 WS-46
Exports of wheat to specified countries, semi-annually beginning July 1937	28	Aug. 1940 WS-46
Exports of wheat flour to specified countries, semi-annually, beginning July 1937	29	Aug. 1940 WS-46
Imports into the United States, 1923-39	30	Aug. 1940 WS-46
Sales and income, and prices		
Sales, price per bushel, and cash income, 1910-39	13	Feb. 1940 WS-40
Average price received by farmers, 1908-40	13	Sept. 1940 WS-47

1/ Selected tables used most frequently.

STATISTICS ON THE RYE SITUATION IN "THE WHEAT SITUATION" FEB. AND AUG., 1940